

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

: INFORMATION

-v.-

: S6 11 Cr. 62 (PAC)

FOTIS GEORGIADIS,

:

Defendant.

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COUNT ONE

(Conspiracy to Commit Securities and Wire Fraud)

The United States Attorney charges:

1. From in or about 2005, up to and including in or about 2009, in the Southern District of New York and elsewhere, FOTIS GEORGIADIS, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit: (a) securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2; and (b) wire fraud, in violation of Title 18, United States Code, Section 1343.

2. It was a part and object of the conspiracy that FOTIS GEORGIADIS, the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges,

would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

3. It was a further part and an object of the conspiracy that FOTIS GEORGIADIS, the defendant, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of

executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Overt Acts

4. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about September 6, 2007, FOTIS GEORGIADIS, the defendant, wire transferred \$911,148 in proceeds from the sale of stock in a company called Cardiac Networks, Inc., which traded publicly under symbol "CNWI" ("Cardiac Networks" or "CNWI"), via a bank located in the Southern District of New York to another bank account controlled by GEORGIADIS.

b. On or about September 10, 2007, FOTIS GEORGIADIS, the defendant, transferred \$959,548 in proceeds from the sale of CNWI stock from a bank account that GEORGIADIS controlled to a bank account controlled by DAVID LEVY.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Securities Fraud)

The United States Attorney further charges:

5. Between in or about 2007 and in or about 2008, in the Southern District of New York and elsewhere, FOTIS GEORGIADIS, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ, and cause to be used and employed, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, the defendant participated with others known and unknown in a pump and dump scheme involving CNWI.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2).

**FORFEITURE ALLEGATION**

6. As a result of committing one or more of the offenses alleged in Counts One and Two of this Information, FOTIS GEORGIADIS, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the said offenses.

**Substitute Asset Provision**

7. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981, and Title 28, United States Code, Section 2461.)

Preet Bharara  
PREET BHARARA  
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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(18 U.S.C. § 371;  
15 U.S.C. §§ 78j(b) & 78ff &  
18 U.S.C. § 2.)

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PREET BHARARA  
United States Attorney.

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